



U.S. Department of Justice

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PRESS RELEASE

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U.S. Attorney Machen Announces Results of Mortgage Fraud Prosecutions, Building on Success of Nationwide Initiative - Ten Defendants Prosecuted Over the Past Year -

WASHINGTON - U.S. Attorney Ronald C. Machen Jr. announced today that the U.S. Attorney's Office for the District of Columbia has successfully built upon the efforts of last year's Operation Stolen Dreams, a nationwide initiative against mortgage fraud, with prosecutions of defendants accused of crimes that resulted in losses of more than \$10 million.

The U.S. Attorney's Office has secured nine guilty pleas or guilty verdicts in mortgage fraud cases over the past year and obtained indictments or filed criminal informations against 10 individuals, U.S. Attorney Machen said. Working with the FBI's Washington Field Office, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development's Office of Inspector General, Internal Revenue Service-Criminal Investigation, and other law enforcement partners, the U.S. Attorney's Office is committed to combating mortgage fraud, a crime that preys upon homeowners, lending institutions and communities.

"Mortgage fraud became an epidemic a few years ago during the housing bubble and remains a serious challenge for law enforcement today," said U.S. Attorney Machen. "Our success in criminally prosecuting mortgage fraud during the last year is a byproduct of our steadfast commitment to rooting out the fraudulent conduct that continues to undermine our nation's economic recovery."

Operation Stolen Dreams was a nationwide sweep that targeted mortgage fraudsters throughout the country and was the largest collective enforcement ever launched to confront mortgage fraud. The operation was organized by the Mortgage Fraud Working Group of President Obama's interagency Financial Fraud Enforcement Task Force. Between March 1, 2010 and June 18, 2010, Operation Stolen Dreams involved 1,517 criminal defendants nationwide, representing an estimated loss of more than \$3 billion. The operation also resulted

in 191 civil enforcement actions and the recovery of more than \$196 million.

The U.S. Attorney's Office for the District of Columbia has been prosecuting mortgage fraud cases for many years and, has been a part of working groups consisting of federal and local law enforcement, and stakeholders in the banking community.

Since the inception of Operation Stolen Dreams in June 2010, the U.S. Attorney's Office for the District of Columbia has filed seven mortgage fraud cases against ten defendants involving losses estimated at over \$10.3 million.

Those convicted include Ronald Johannes Sneijder, 48, a former owner of a title and escrow company based in the District of Columbia. Sneijder, a citizen of the Netherlands, was indicted, arrested, and detained, and then entered a guilty plea in May 2011 to the lead count in a bank fraud indictment filed in the U.S. District Court for the District of Columbia. Sneijder, of Herndon, Virginia, agreed as part of the plea to the forfeiture of more than \$1.2 million.

In another recent success, Gregory L. McCormick, 56, of Silver Spring, Maryland, was convicted earlier this month by a jury in the U.S. District Court of the District of Columbia on charges of conspiracy, bank fraud, wire fraud, aggravated identity theft, and obstruction of justice. The jury convicted McCormick for conspiring with co-defendant Nathan Peake and others to obtain multiple mortgages for two residential properties owned by Peake in Maryland.

Unable to obtain conventional mortgages for a number of reasons, including excessive debt and his inability to produce legitimate income tax documentation, McCormick prepared false loan applications and assisted in the submission of a fabricated letter from an actual certified public accountant that falsely indicated Peake had filed federal income tax returns. Within six months of obtaining the fourth mortgage, Peake had defaulted on these loans. Peake, 40, a professional sports manager from Silver Spring, Maryland, pled guilty in March 2011 to one count of income tax evasion and one count of conspiracy to commit bank and wire fraud.

"During these tough economic times, taking advantage of homeowners by bilking them out of their hard-earned financial future is not only manipulative, but illegal," said James W. McJunkin, Assistant Director of the FBI's Washington Field Office. "The FBI will remain vigilant to investigating illegal financial schemes that defraud homeowners, no matter how complex, to identify those involved and hold them accountable for their actions."

"These investigations are another example of the great partnership that exists between local, state, and federal law enforcement agencies across the country," said Daniel S. Cortez, Inspector in Charge of the Washington Division of the Postal Inspection Service. "I commend all of those involved in these investigations which resulted in bringing these individuals to justice."

"Mortgage fraud has escalated into one of the most notorious crimes in the United States," said Deputy Inspector General Michael P. Stephens of HUD's Office of Inspector General. "The

many victims of mortgage fraud are borrowers, taxpayers, banks and mortgage companies, the government, and the economy as a whole. Mortgage fraud is even more harmful in that it damages public trust. In this difficult economic climate, more now than ever, we must remain vigilant in our efforts to detect and investigate mortgage fraud. We will continue to work diligently with our investigative partners to bring wrongdoers to justice.”

“IRS-Criminal Investigation takes allegations of mortgage fraud seriously,” said Rebecca A. Sparkman, Special Agent in Charge of the Washington, D.C. Field Office of IRS-Criminal Investigation. “These types of crimes drive homeowners into foreclosure, erode the integrity of our tax system and threaten the financial health of our communities”

Mortgage fraud is a priority area for the President’s Financial Fraud Enforcement Task Force. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit StopFraud.gov.

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